



Testimony on SB 908 Before the Senate Banking and Financial Institutions Committee

Presented by Murray Brown, MMLA Legislative Consultant
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Founded in 1929, MMLA is composed of over 550 members including mortgage professionals, mortgage banking firms, mortgage brokers, commercial banks, savings banks, and other business entities providing products and services to the mortgage industry.

MMLA supports SB 908, which would amend the Mortgage Loan Originator Licensing Act (MLOLA) to make certain technical changes to the law. MLOLA was enacted in 2009 to meet a federal mandate in the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE), that all states enact a mortgage loan originator law that had certain minimum pre-licensure and continuing education requirements.

The MLOLA took effect on July 31, 2009 and required that all non-depository mortgage loan originators be licensed by July 31, 2010. In meeting that federal mandate HUD allowed states to include a provision that delayed until July 31, 2011 the compliance date for loan modification staff of mortgage servicers that were negotiating and originating loans. In the MLOLA loan modification staff were given until July 31, 2011 so that their work output would not be adversely affected by their efforts to meet the July 31, 2010 compliance date.

Since we are beyond July 31, 2011 compliance date, SB 908 would delete the provision that provided for the 12-month delay in the compliance date for loan modification staff as it no longer has statutory significance.